Message Text

UNCLASSIFIED

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ACTION EUR-06

INFO OCT-01 ISO-00 EB-05 RSC-01 DRC-01 /014 W

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R 091030Z MAY 74 FM AMCONSUL MILAN TO SECSTATE WASHDC 3578 INFO USDOC WASHDC AMEMBASSY ROME

UNCLAS MILAN 0617

E.O. 11652: N/A TAGS: BEXP IT

SUBJECT: BIDS ON TARGET INDUSTRY RESEARCH AVIONICS AND AVIATION SUPPORT EQUIPMENT (AAS)

FOR COMMERCE

REF: A-2719, APRIL 3, 1974

1. OF 12 FIRMS SOLICITED, ONLY FOLLOWING THREE HAVE SUBMITTED BIDS FOR AAS EQUIPMENT (ALL DOLLAR PRICES CONVERTED BY POST AT LIRE 625 EQUALS \$1).

A) JOHN L. BARISONE, BUSINESS CONSULTANT. ITALY ONLY LIRE 2,593,759 (\$4,150). IN WRITTEN BID DOCUMENT, BARISONE STATED THAT HE HAD NOT HAD A CHANCE TO EXAMINE NEGRETTI STUDY, BUT THAT HE EXPECTED IT WOULD RESULT IN 10 0/0 REDUCTION IN ABOVE PRICE. HE HAS NOW EXAMINED STUDY AND HAS OFFERED 5 0/0 REDUCTION, THUS BRINGING HIS PRICE TO LIRE 2,464,063 (\$3,942.50). BARISONE PROPOSED 29 INTERVIEWS AS FOLLOWS: END-USERS, 17; TRADE ASSOCIATIONS 2; MANUFACTURERS AND IMPORTERS 10; BIDDER STATES HE AND HIS ASSOCIATES HAVE BEEN ACTIVE IN MARKET RESEARCH FOR 8 YEARS. HE CLAIMS FAMILIARITY WITH AVIONICS THROUGH INFORMAL ASSICIATIONS WITH THE CENTRO ELETTRONICO AVIO (CEA), NOW A DIVISION OF AERITALIA. HE CLAIMS HIS ASSOCIATES HAVE ALSO BEEN INVOLVED IN SEVERAL RESEARCH PROJECTS CONCERNING THE AIRCRAFT AND AIRCRAFT COMPONENTS INDUSTRIES. UNCLASSIFIED

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B) A.T. KEARNEY S.P.A. ITALY ONLY. LIRE 3,000,000 (\$4,800).
KEARNEY PROPOSES 30-35 INTERVIEWS AS FOLLOWS: END-USERS,
15-20; MANUFACTURERS AND IMPORTERS 10; GOVERNMENT AGENCIES
AND TRADE ASSOCIATIONS 5. KEARNEY CITES BROAD RANGE OF MARKET
RESEARCH EXPERIENCE IN ALL FIELDS. MAIN WORK THIS STUDY WOULD
BE PERFORMED BY CARLO QUATTROCIOCCHI WHO HAS A DEGREE IN
AERONAUTICAL ENGINEERING AND WHO BEFORE JOINING KEARNY WAS A
MEMBER OF THE RESEARCH AND CONSULTING CENTER OF THE ITALIAN
AIR FORCE.

C) SOCIETA' ITALIANA PER L'ECONOMIA APPLICATA (SITEA). ITALY ONLY. LIRE 2,500,000 (\$4,000). SITEA PROPOSES 25 INTERVIEWS AS FOLLOWS: GOVERNMENT AUTHORITIES 4; AIRPORT ADMINISTRATION 6; INTERNATIONAL AND DOMESTIC AIRLINES 6; SUPPLEMENTARY CARRIERS 2; GENERAL AVIATION 2; FIXED BASE OPERATORS 2; MANUFACTURERS AND AGENTS 3. WHILE SITEA WAS ESTABLISHED IN 1973 AND THUS HAS CONDUCTED NO SURVEY IN THE FIELD OF AVIATION, ANTONIO MARTELLI, MANAGING DIRECTOR OF FIRM, AND RESEARCHER GUALTIERO TONELLA CLAIM RESPECTIVELY 14 AND 6 YEARS EXPERIENCE IN MARKET RESEARCH.

2. COMMENTS: THE PRICES QUOTED BY BARISONE AND SITEA ARE VIRTUALLY A TOSS-UP; WHILE KEARNEY IS SOME \$800 HIGHER THAN THE OTHER TWO. NEVERTHELESS WE IMPRESSED WITH OVERALL REPUTATION OF KEARNEY AND WITH THE TECHNICAL QUALIFICATIONS OF PERSON WHO WOULD BE ASSIGNED MAIN RESPONSIBILITY FOR STUDY. WE INCLINED NOT TO RECOMMEND AWARD OF THIS CONTRACT TO BARISONE UNTIL WE AND COMMERCE HAVE HAD OPPORTUNITY EXAMINE QUALITY OF HIS WORK ON FOOD PROCESSING AND PACKAGING TIR STUDY, AND BECAUSE WE WONDER WHETHER IN EVENT HE OFFERED CONTRACT, HE WILL HAVE NECESSARY RESOURCES TO CARRY IT OUT. (HE HAS, IN FACT, HINTED TO US THAT HE MAY BE FORCED TO WITHDRAW HIS BID IF ONE OF HIS ASSOCIATES, WHO CURRENTLY OUT OF THE COUNTRY, DECIDES SHE UNABLE HELP WITH PROJECT.) THUS WE RECOMMEND AWARDING CONTRACT TO SITEA IF PRICE IS THE MAIN CONSIDERATION. IF NOT, WE RECOMMEND AWARD KEARNEY IN VIEW OF ITS WORLD-WIDE REPUTATION AND QUALIFICATIONS OF ITS RESEARCH STAFF FOR THIS PARTICULAR STUDY.

3. COPIES OF BID DOCUMENTS SENT VIA APO MAY 8. FINA

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: n/a Control Number: n/a Copy: SINGLE Draft Date: 09 MAY 1974 Decaption Date: 01 JAN 1960 Decaption Note: Disposition Action: n/a Disposition Approved on Date: Disposition Authority: n/a Disposition Case Number: n/a

Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Decument Number: 10744411 A

Document Number: 1974MILAN00617 Document Source: CORE Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: N/A Errors: N/A

Film Number: D740113-0059

From: MILAN

Handling Restrictions: n/a

Image Path:

Legacy Key: link1974/newtext/t19740561/aaaaccoq.tel Line Count: 98 Locator: TEXT ON-LINE, ON MICROFILM Office: ACTION EUR

Original Classification: UNCLASSIFIED Original Handling Restrictions: n/a Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 2

Previous Channel Indicators: n/a
Previous Classification: n/a Previous Handling Restrictions: n/a Reference: A-2719, APRIL 3, 1974 Review Action: RELEASED, APPROVED Review Authority: boyleja

Review Comment: n/a Review Content Flags: Review Date: 31 OCT 2002

Review Event:

Review Exemptions: n/a Review History: RELEASED <31 OCT 2002 by shawdg>; APPROVED <06 JAN 2003 by boyleja>

Review Markings:

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Review Media Identifier: Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: BIDS ON TARGET INDUSTRY RESEARCH AVIONICS AND AVIATION SUPPORT EQUIPMENT (AAS)

TAGS: BEXP, IT To: STATE

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005